

CONFIDENTIAL

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 3

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN		5. MINERAL LEASE NO: ML-3044A	6. SURFACE: STATE
B. TYPE OF WELL <input type="checkbox"/> OIL <input checked="" type="checkbox"/> GAS OTHER _____ <input checked="" type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE		7. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A	
2. NAME OF OPERATOR: QUESTAR EXPLORATION & PRODUCTION, CO.		8. UNIT OR CA AGREEMENT NAME: N/A	
3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078		9. WELL NAME and NUMBER: BZ 12ML-16-8-24	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1846' FSL 747' FWL AT PROPOSED PRODUCING ZONE: SAME		10. FIELD AND POOL, OR WILDCAT: WILDCAT Undesignated	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 30 + 1 - MILES SOUTHEAST VERNAL, UTAH		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 16 8S 24E	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE(FEET) 747' +/-	16. NUMBER OF ACRES IN LEASE: 320	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	19. PROPOSED DEPTH 8550'	20. BOND DESCRIPTION: 04127294	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5155.9' GL	22. APPROXIMATE DATE WORK WILL START: ASAP	23. ESTIMATED DURATION: 10 DAYS	

24 PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4"	9 5/8" J-55 36 lb/ft (new) LT&C	450'	SEE 8-POINT DRILLING
7 7/8"	4 1/2" M-80 11.60 lb/ft (new) LT&C	TD	

25 ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERATION GENERAL RULES:

- ☐ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER ☐ COMPLETE DRILLING PLAN
☐ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER ☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OV

NAME (PLEASE PRINT) Jan Nelson TITLE Regulatory Affairs
SIGNATURE Jan Nelson DATE 1/25/06
(This space for State use only)
API NUMBER ASSIGNED: 43-047-37670 APPROVAL: _____

(11/2001)

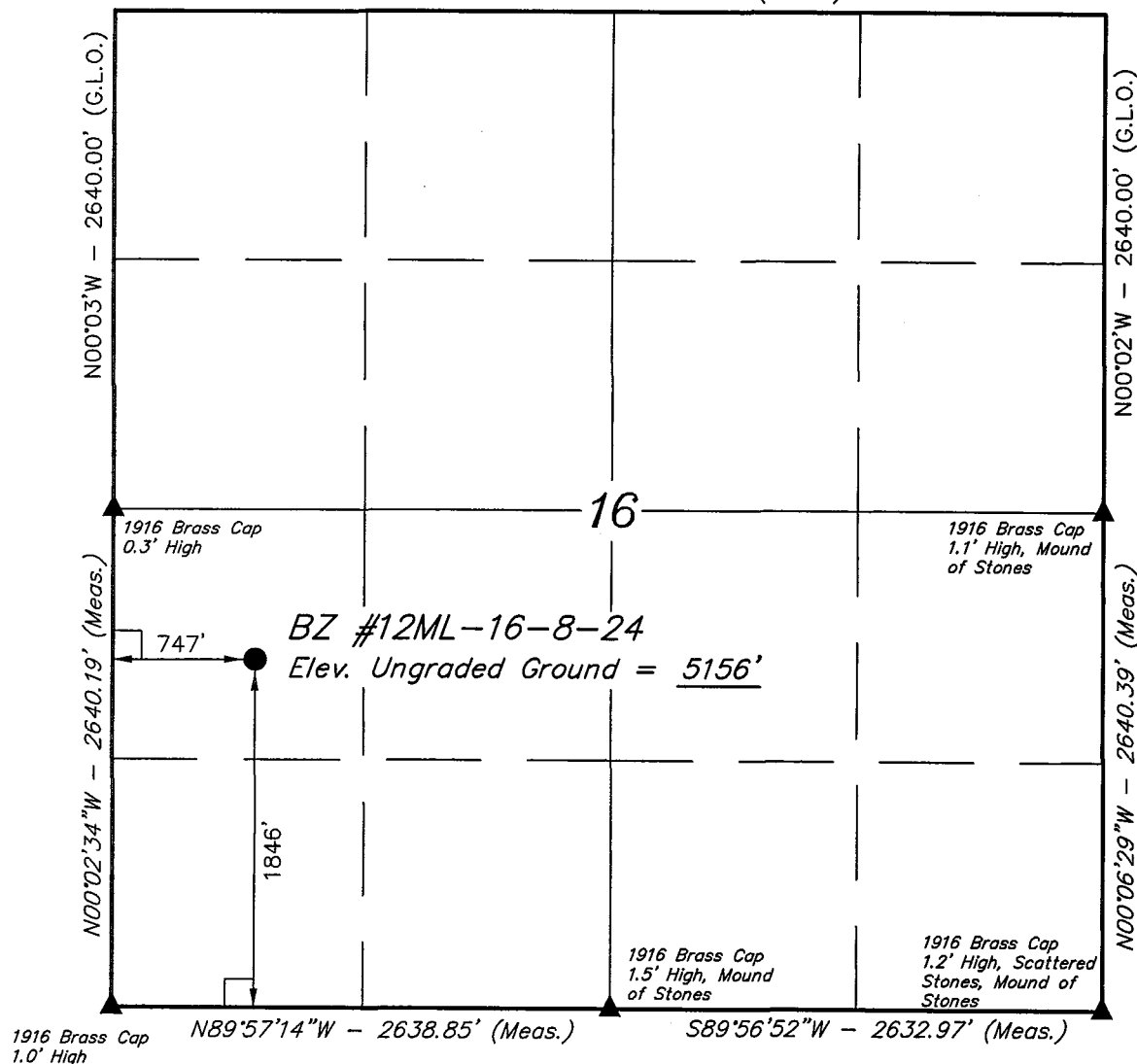
Approved by the
Oil, Gas and Mining
Date 02-28-06
By: [Signature]

(See Instruction on Reverse Side)

RECEIVED
FEB 01 2006
DIV. OF OIL, GAS & MINING

T8S, R24E, S.L.B.&M.

S89°57'W - 5273.40' (G.L.O.)



LEGEND:

└─ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)

LATITUDE = 40°07'13.36" (40.120378)

LONGITUDE = 109°13'33.21" (109.225892)

(AUTONOMOUS NAD 27)

LATITUDE = 40°07'13.48" (40.120411)

LONGITUDE = 109°13'30.78" (109.225217)

QUESTAR EXPLR. & PROD.

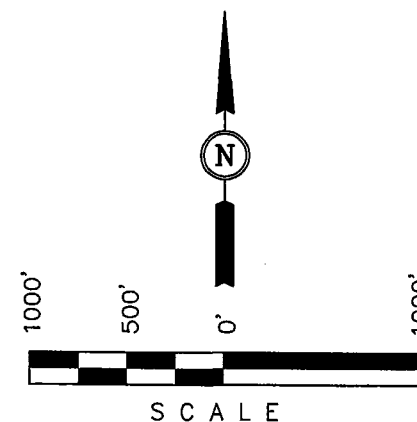
Well location, BZ #12ML-16-8-24, located as shown in the NW 1/4 SW 1/4 of Section 16, T8S, R24E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 45EAM LOCATED IN THE SW 1/4 OF SECTION 34, T8S, R24E, S.L.B.&M. TAKEN FROM THE BONANZA, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5350 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert J. Hay
REGISTERED LAND SURVEYOR
REGISTRATION NO. 16199
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 11-09-05	DATE DRAWN: 11-14-05
PARTY D.A. L.G. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE QUESTAR EXPLR. & PROD.	

Additional Operator Remarks

Questar Explorations & Production Co. proposes to drill a well to 8550' to test the Mesa Verde. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirement.

See Onshore Order No. 1 attached

See attached notice of intent to complete into multiple pools.

Please be advised that QEP agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No. 04127294. The principal is QEP via surety as consent as provided for the 43 CFR 3104.2.

NOTICE OF INTENT TO COMPLETE INTO MULTIPLE POOLS

BZ 12ML-16-8-24

In compliance with the stated objectives of section R649-3-22 of the Utah Administrative Code and the Utah Oil and Gas Conservation Act, Questar Exploration and Production Company hereby requests the commingling of production between intervals in the BZ 12ML-16-8-24. Questar considers this commingling to be in the public interest in that it promotes maximum ultimate economic recovery, prevents waste, provides for orderly and efficient production of oil and gas and presents no detrimental effects from commingling the two gas streams.

Questar requests approval for the commingling between the Mesa Verde and Wasatch intervals. As the well is not in a Unit PA and the ownership is the same between formations, production will be reported as combined Mesa Verde / Wasatch production.

This well will be completed using multiple stage hydraulic fracturing. Bridge plugs will be used to isolate completion intervals during fracturing operations and will be drilled up prior to putting the well on production. Mesa Verde and Wasatch intervals will be fractured separately, except where they occur too close together to make isolation unfeasible.

A plat of all contiguous owners will follow along with an affidavit stating that all contiguous owners have been notified and given a 15 day objection period.

I hereby certify that the foregoing is true and correct



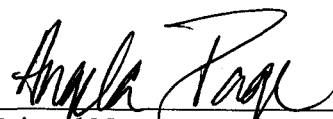
Matt Nikkel
Engineer
Questar Exploration & Production

AFFIDAVIT OF NOTICE

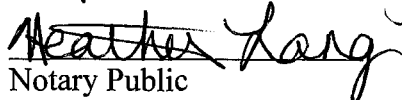
STATE OF COLORADO)
COUNTY OF DENVER) ss:

Angela Page, being duly sworn, deposes and says:

1. That I am employed by Questar Market Resources in the capacity as a Landman. My business address is Independence Plaza
1050 17th Street, Suite 500
Denver, CO 80265
2. In my capacity as a Landman, pursuant to the provisions of Utah Administrative Rule 615-3-22 I have provided a copy of Questar Market Resource's application for completion of the BZ 12ML-16-8-24 well into two or more pools, in the form of Utah Division of Oil, Gas and Mining's Form 9 Sundry Notice, to owners of all contiguous oil and gas leases or drilling units overlying the pools which are the subject of that application.
3. In my capacity as a Landman I am authorized to provide such notice of Questar Market Resource's application to contiguous owners and to make this affidavit on this 21st day of September, 2005.

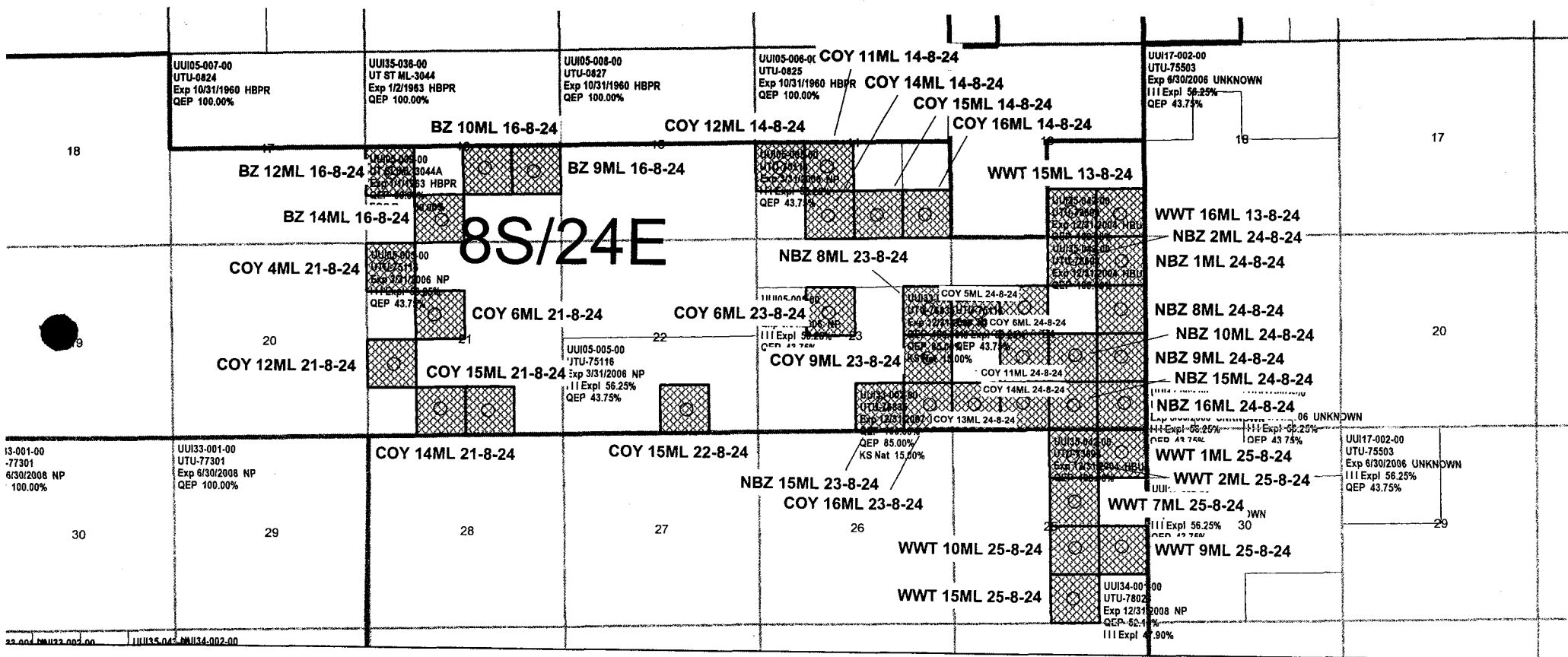

Printed Name: Angela Page

The foregoing instrument was sworn to and subscribed before me this 21st day of Sept., 2005, by Angela Page


Notary Public

My Commission Expires 07/08/2008





Wells:

WWT 15ML-13-8-24
WWT 16ML-13-8-24
COY 11ML-14-8-24
COY 12ML-14-8-24
COY 14ML-14-8-24
COY 15ML-14-8-24
COY 16ML-14-8-24
BZ 9ML-16-8-24
BZ 10ML-16-8-24
BZ 12ML-16-8-24
BZ 14ML-16-8-24
COY 4ML-21-8-24
COY 6ML-21-8-24
COY 12ML-21-8-24

COY 14ML-21-8-24
COY 15ML-21-8-24
COY 15ML-22-8-24
COY 6ML-23-8-24
COY 9ML-23-8-24
NBZ 8ML-23-8-24
NBZ 15ML-23-8-24
COY 16ML-23-8-24
COY 5ML-24-8-24
COY 6ML-24-8-24
COY 11ML-24-8-24
COY 13ML-24-8-24
COY 14ML-24-8-24
NBZ 8ML-24-8-24

NBZ 9ML-24-8-24
NBZ 10ML-24-8-24
NBZ 15ML-24-8-24
NBZ 16ML-24-8-24
NBZ 1ML-24-8-24
NBZ 2ML-24-8-24
VWT 1ML-25-8-24
VWT 2ML-25-8-24
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VWT 15ML-25-8-24

QUESTAR

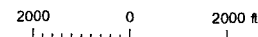
Tw /Kmv
COMMINGLED PRODUCTION

Uinta Basin—Uintah County, Utah

T8S-R24E



40-acre pool



1:48000

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>	<u>Prod. Phase Anticipated</u>
Uinta	Surface	
Green River	1200'	
Wasatch	4430'	Gas
Mesa Verde	6150'	
TD	8550'	

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas. Or other mineral bearing formations are expected to be encountered are as follows:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Mesa Verde	8550'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If no flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right #36125 or Red Wash water right # 49-2153 to supply fresh water for drilling purposes.

All water resulting from drilling operations will be disposed of at Red Wash Central Battery Disposal Site; SWSE, Section 27, T7S, R23E or Wonsits Valley Disposal Site; SWNW, Section 12, T8S, R21E.

DRILLING PROGRAM

3. Operator's Specification for Pressure Control Equipment:

- A. 3,000 psi W.P. Double Gate BOP or Single Gate BOP (schematic attached)
- B. Functional test daily
- C. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, (or 70% of burst whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 3M system and individual components shall be operable as designed.

4. Casing Program

	<u>Depth</u>	<u>Hole Size</u>	<u>Csg Size</u>	<u>Type</u>	<u>Weight</u>
Surface	450'	12 1/4"	9-5/8"	J-55	36 lb/ft (new) LT&C
TD	8550'	7 -7/8"	4 -1/2"	M-80	11.60 lb/ft (new)LT&C

5. Auxiliary Equipment

- A. Kelly Cock – yes
- B. Float at the bit – no
- C. Monitoring equipment on the mud system – visually and/or PVT/Flow Show
- D. Full opening safety valve on the rig floor – yes
- E. Rotating Head – yes
If drilling with air the following will be used:
- F. The blooie line shall be at least 6" in diameter and extend at least 100' from the well bore into the reserve/blooie pit.
- G. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500').
- H. Compressor shall be tied directly to the blooie line through a manifold.

DRILLING PROGRAM

- I. A mister with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is 9.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from surface casing depth to TD.

6. Testing, logging and coring program

- A. Cores – none anticipated
B. DST – none anticipated

Logging – Mud logging – 4500 to TD
GR-SP-Induction
Neutron Density
MRI

- C. Formation and Completion Interval: Mesa Verde interval, final determination of completion will be made by analysis of logs.
Stimulation – Stimulation will be designed for the particular area of interest as encountered.

DRILLING PROGRAM

7. Cementing Program

<u>Casing</u>	<u>Volume</u>	<u>Type & Additives</u>
Surface	257sx	Class "G" single slurry mixed to 15.6 ppg, yield = 1.19 cf/sx. Cement to surface with 160 cf (1541sx) calculated. Tail plug used. Allowed to set under pressure
Production	Lead-622sx* Tail-904sx*	Lead/Tail oilfield type cement circulated in place . Tail slurry: Class "G" + gilsonite and additives as required, mixed to 14.8 ppg, yield = 1.34 cf/sx. Tail to 5550' ($\pm 500'$ above production zone). Cement Characteristics: Lead slurry: Class "G" + extender and additives as required, mixed to 11.0 ppg, yield = 3.82 cf/sx. Lead to surface. Tail plug used. Allowed to set under pressure.

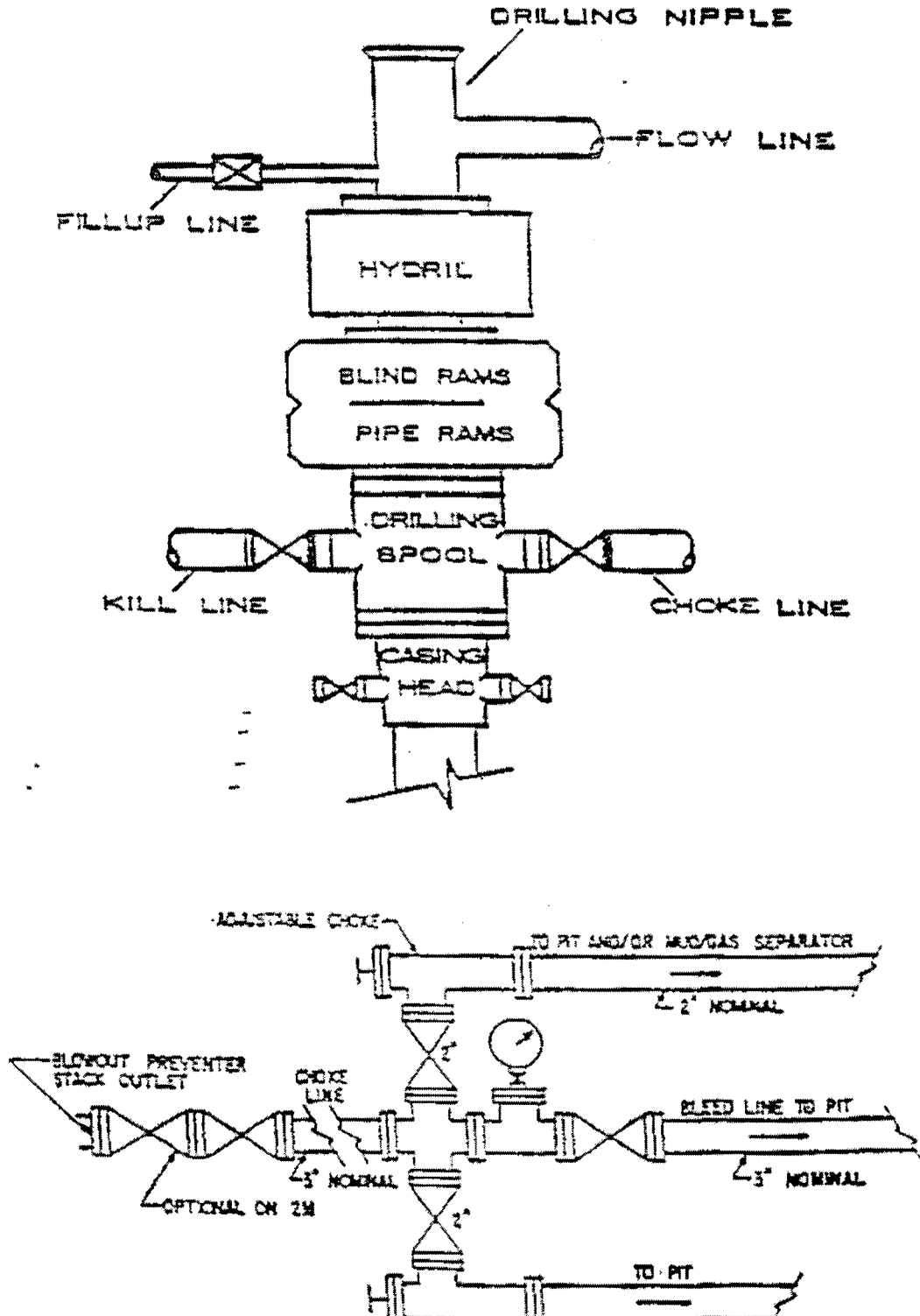
*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 3708.0 psi. Maximum anticipated bottom hole temperature is 140° F.

DRILLING PROGRAM

SCHEMATIC DIAGRAM OF 3,000 PSI BOP STACK



Lessee's or Operator's Representative:

Jan Nelson
Red Wash Rep.
Questar Exploration & Production, Co.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4331

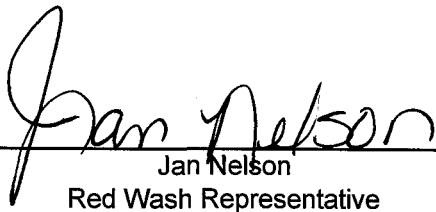
Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

QEP will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by QEP its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Jan Nelson
Red Wash Representative

25-Jan-06

Date

QUESTAR EXPLR. & PROD.

BZ #12ML-16-8-24

LOCATED IN UINTAH COUNTY, UTAH
SECTION 16, T8S, R24E, S.L.B.&M.

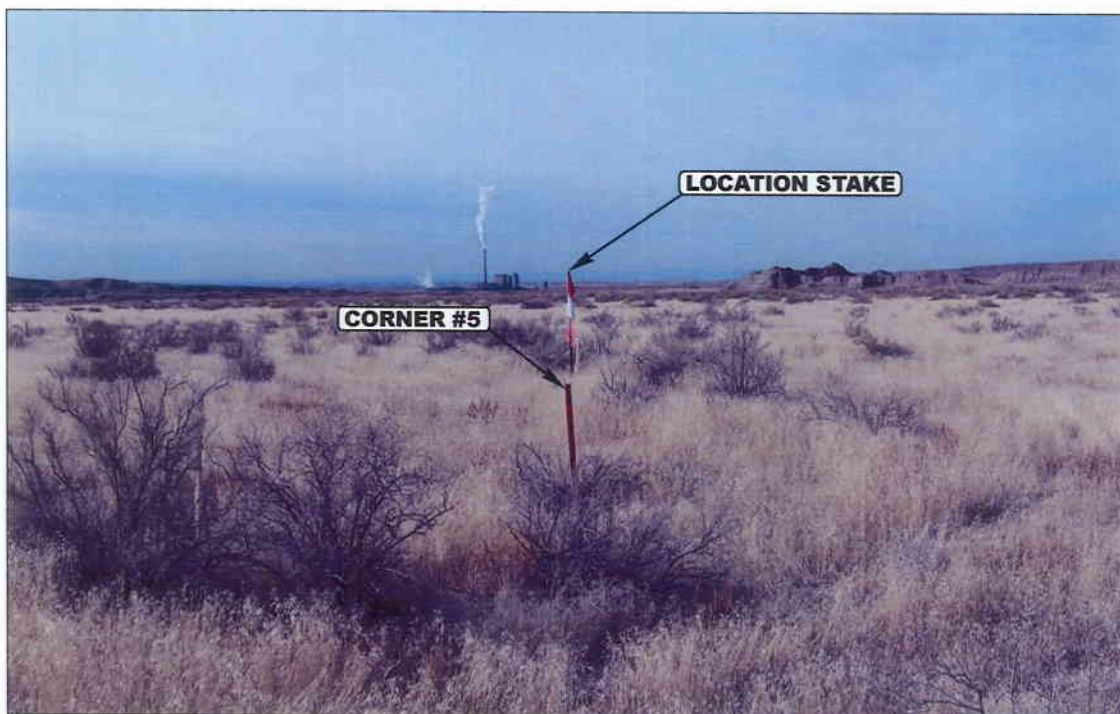


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

11 10 05
MONTH DAY YEAR

PHOTO

TAKEN BY: D.A.

DRAWN BY: B.C.

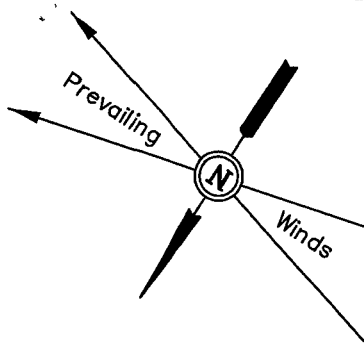
REVISED: 00-00-00

QUESTAR EXPLR. & PROD.

FIGURE #1

LOCATION LAYOUT FOR

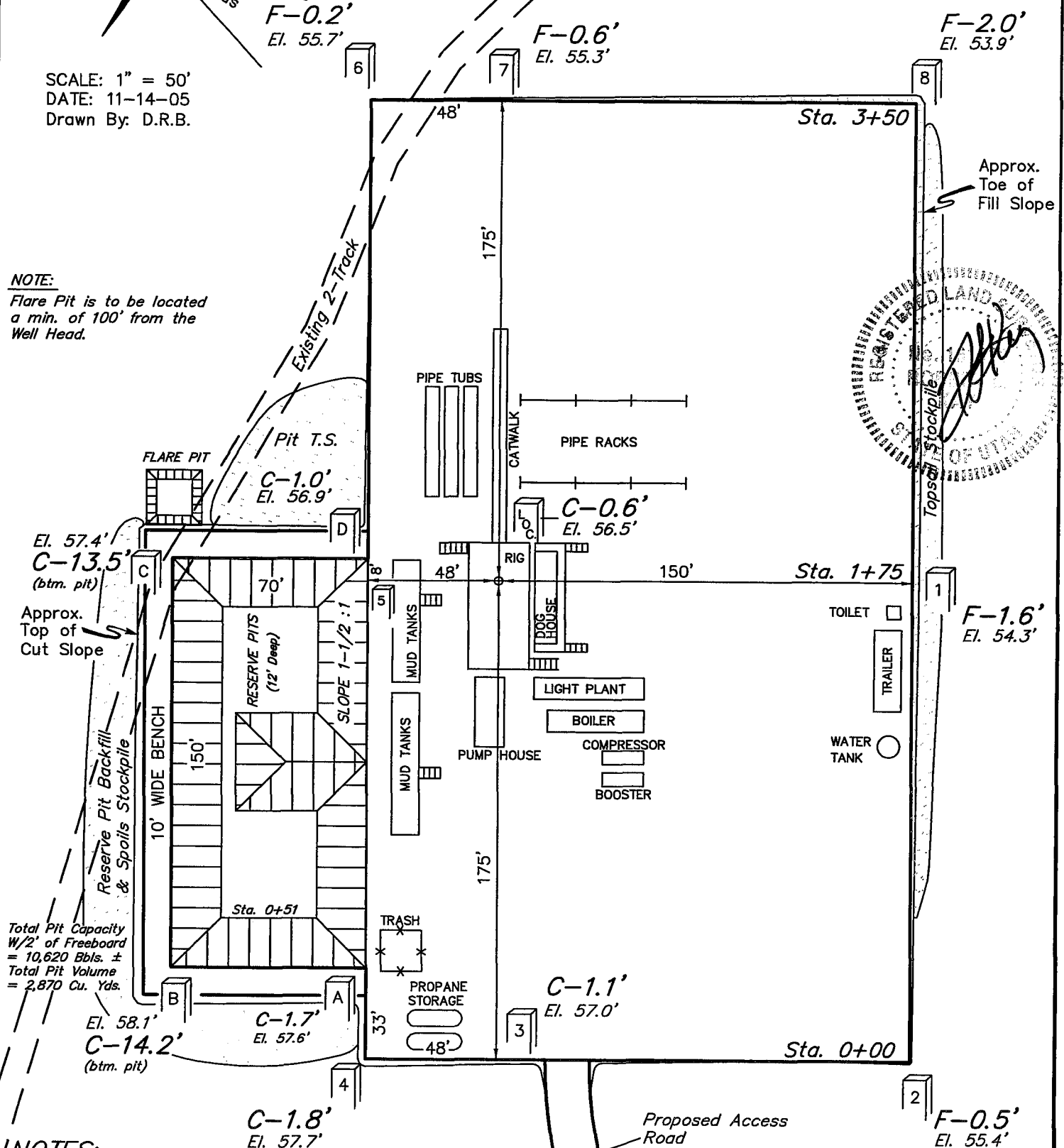
BZ #12ML-16-8-24
SECTION 16, T8S, R24E, S.L.B.&M.
1846' FSL 747' FWL



SCALE: 1" = 50'
DATE: 11-14-05
Drawn By: D.R.B.

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5156.5'
FINISHED GRADE ELEV. AT LOC. STAKE = 5155.9'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

QUESTAR EXPLR. & PROD.

FIGURE #2

TYPICAL CROSS SECTIONS FOR

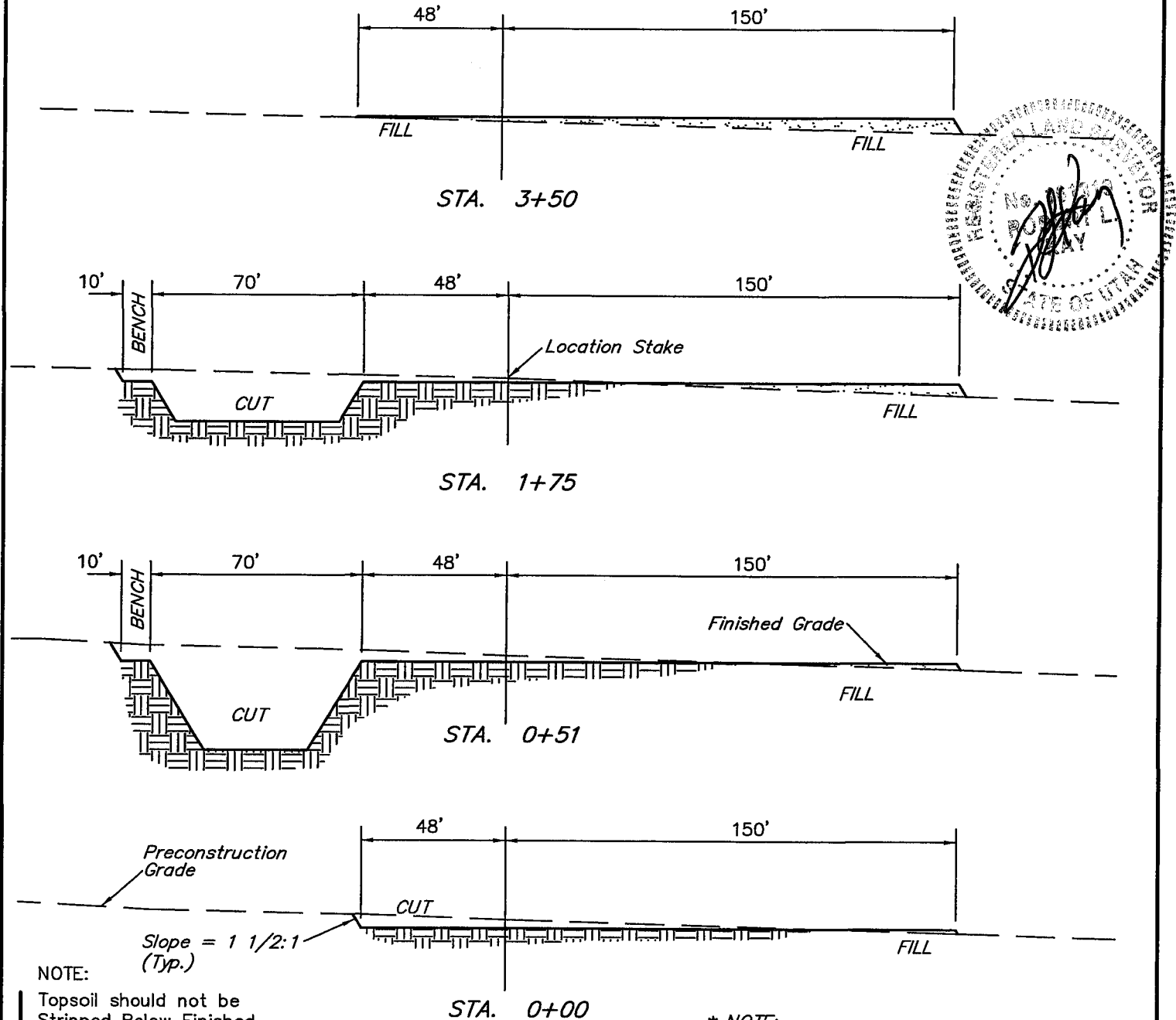
BZ #12ML-16-8-24

SECTION 16, T8S, R24E, S.L.B.&M.

1846' FSL 747' FWL

1" = 20'
X-Section
Scale
1" = 50'

DATE: 11-14-05
Drawn By: D.R.B.



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,620 Cu. Yds.
Remaining Location	= 3,700 Cu. Yds.
TOTAL CUT	= 5,320 CU.YDS.
FILL	= 2,260 CU.YDS.

EXCESS MATERIAL	= 3,060 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,060 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

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QUESTAR EXPLR. & PROD.

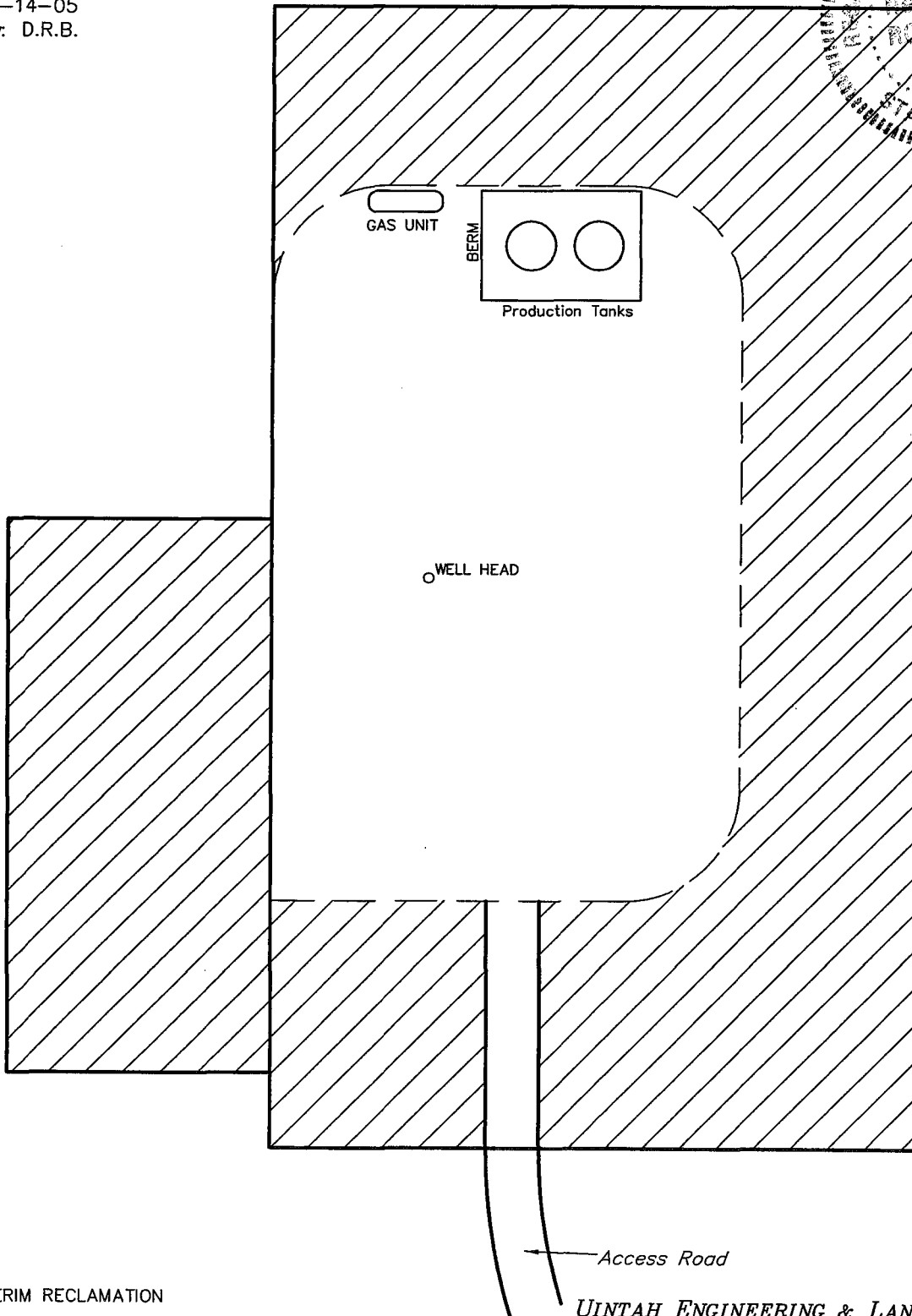
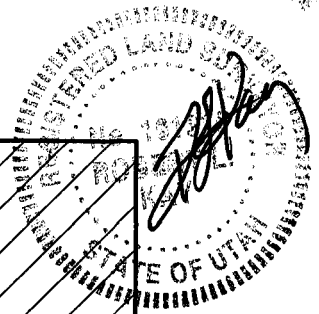
FIGURE #3

INTERIM RECLAMATION PLAN FOR

BZ #12ML-16-8-24
SECTION 16, T8S, R24E, S.L.B.&M.
1846' FSL 747' FWL

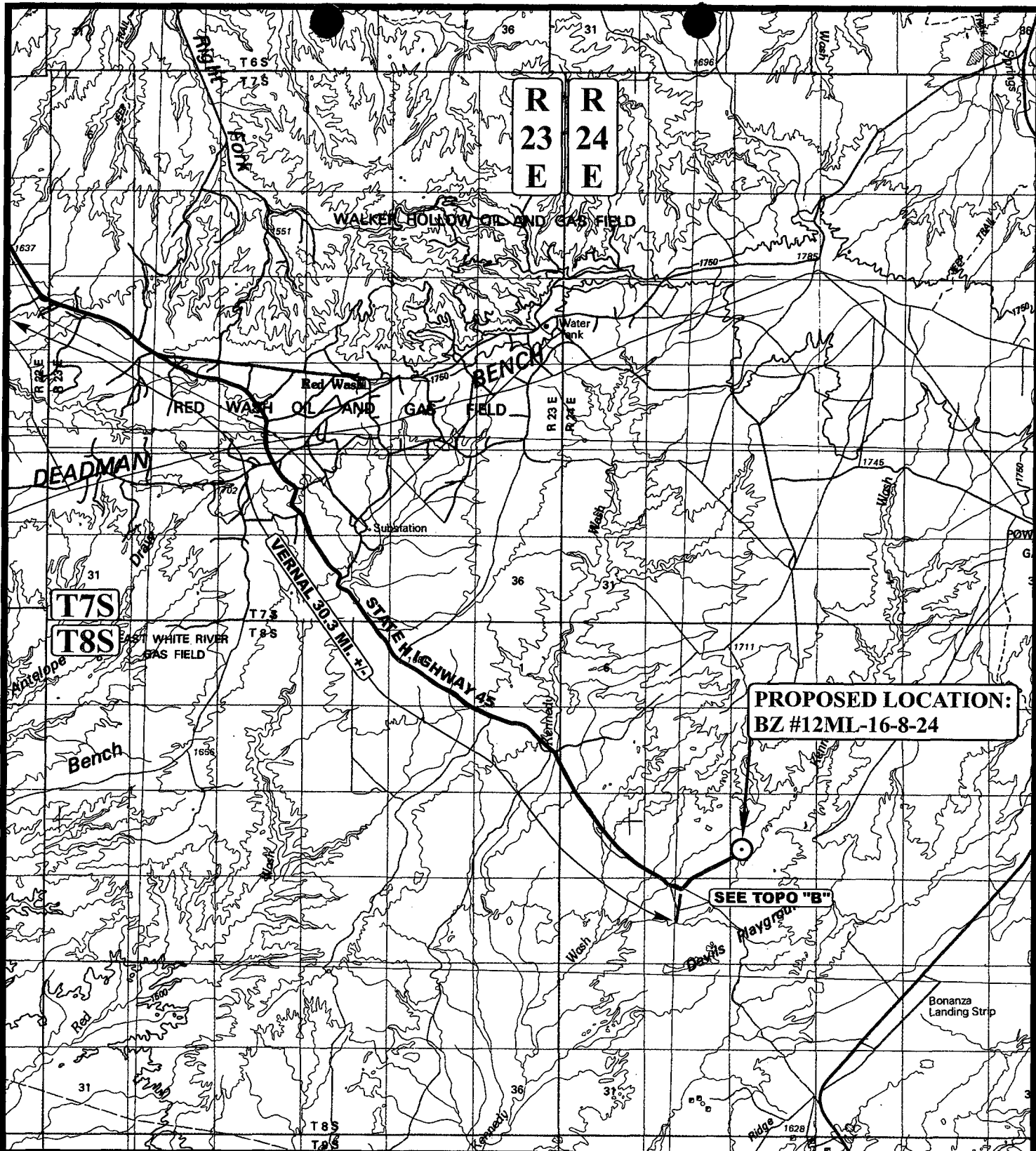


SCALE: 1" = 50'
DATE: 11-14-05
Drawn By: D.R.B.



 INTERIM RECLAMATION

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION

QUESTAR EXPLR. & PROD.

BZ #12ML-16-8-24

SECTION 16 T8S, R24E, S.L.B.&M.

1846' FSL 747' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

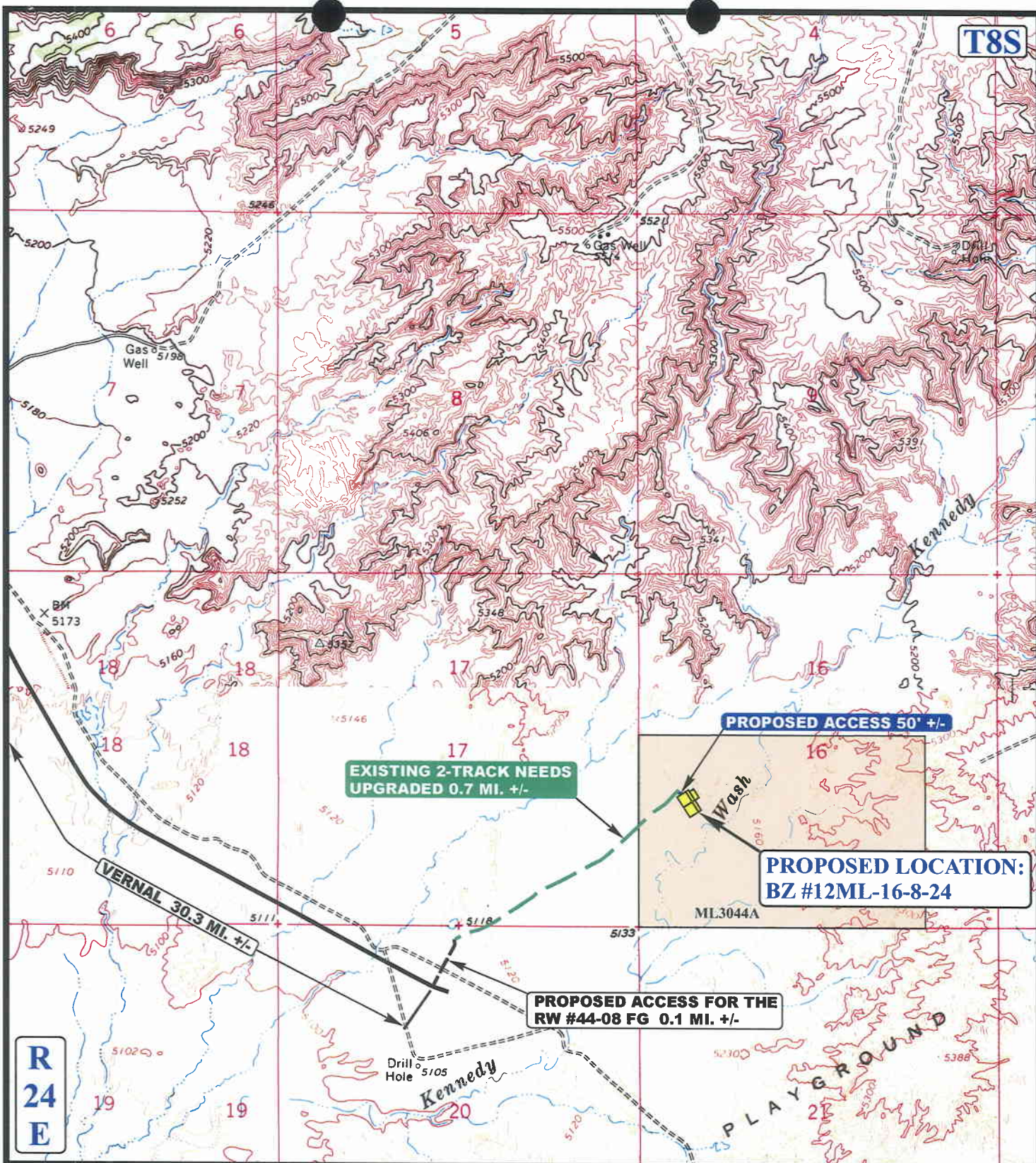


TOPOGRAPHIC
MAP

11 10 05
 MONTH DAY YEAR

SCALE: 1:100,000 | DRAWN BY: B.C. | REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- EXISTING 2-TRACK NEEDS UPGRADED

QUESTAR EXPLR. & PROD.

BZ #12ML-16-8-24
SECTION 16 T8S, R24E, S.L.B.&M.
1846' FSL 747' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
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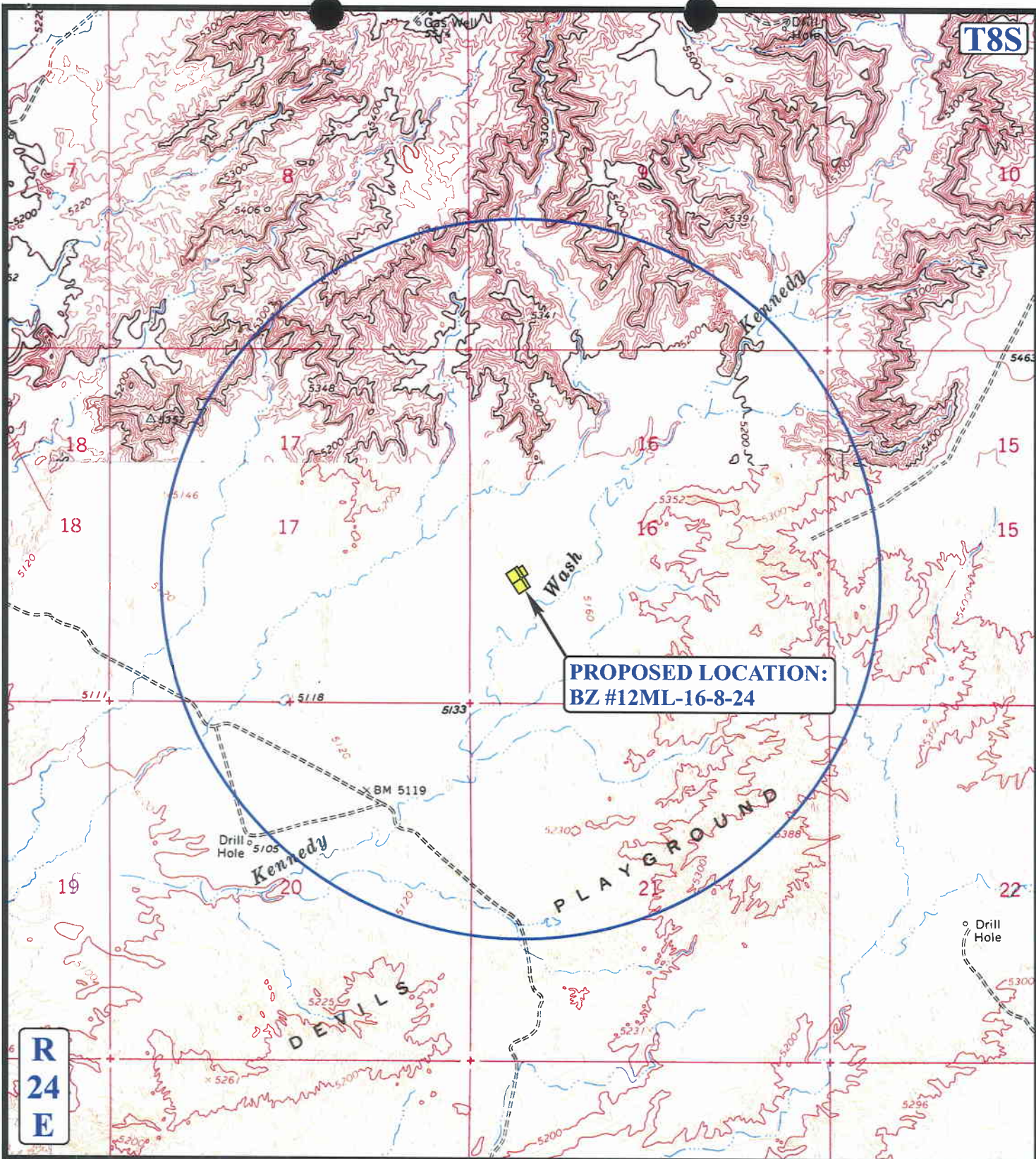


TOPOGRAPHIC
MAP

11 10 05
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: B.C. REVISED: 00-00-00

B
TOPO



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

QUESTAR EXPLR. & PROD.

BZ #12ML-16-8-24
SECTION 16 T8S, R24E, S.L.B.&M.
1846' FSL 747' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
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TOPOGRAPHIC
MAP

11 10 05
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: B.C. REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/01/2006

API NO. ASSIGNED: 43-047-37670

WELL NAME: BZ 12ML-16-8-24

OPERATOR: QUESTAR EXPL & PROD CO (N5085)

CONTACT: JAN NELSON

PHONE NUMBER: 435-781-4331

PROPOSED LOCATION:

NWSW 16 080S 240E

SURFACE: 1846 FSL 0747 FWL

BOTTOM: 1846 FSL 0747 FWL

COUNTY: UINTAH

LATITUDE: 40.12037 LONGITUDE: -109.2253

UTM SURF EASTINGS: 651232 NORTHINGS: 4442416

FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DND	2/21/06
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-3044A

SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 965003033)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 49-2153)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)
(Wagatch, mesa Verde)

LOCATION AND SITING:

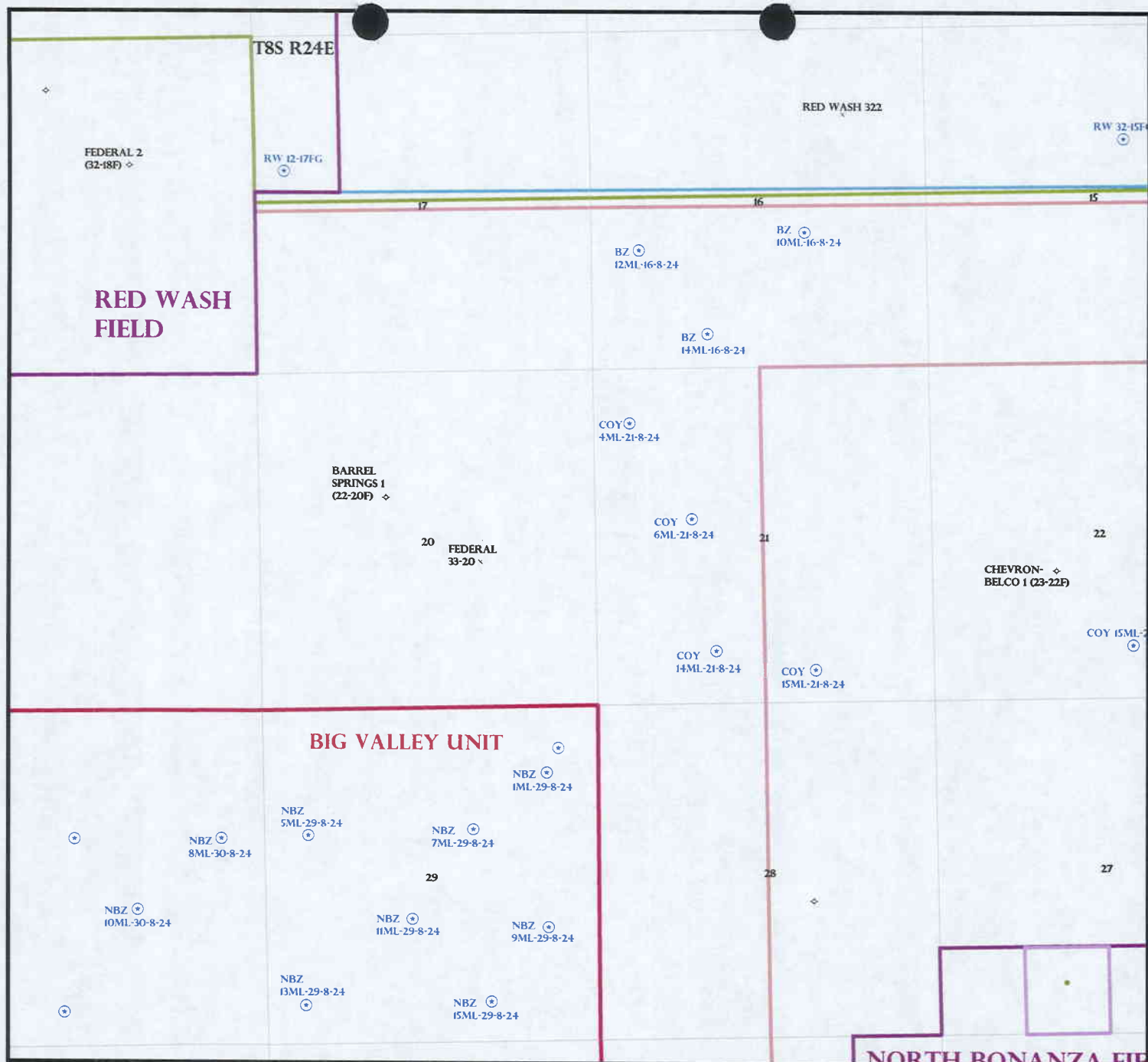
☐ R649-2-3.
Unit: _____
☒ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☐ R649-3-3. Exception
☐ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
☐ R649-3-11. Directional Drill

COMMENTS:

Needs Permit (02-16-06)

STIPULATIONS:

1- Spacing Dis
2- Commingle
3- STATEMENT OF BASIS



OPERATOR: QEP UINTA BASIN INC (N2460)

SEC: 16 T. 8S R. 24E

FIELD: UNDESIGNATED (002)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

Field Status

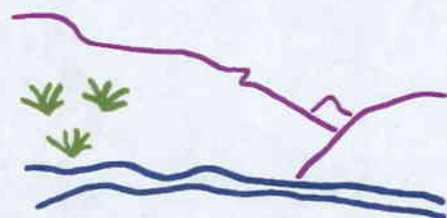
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 7-FEBRUARY-2006

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: Questar Exploration and Production, Co.
WELL NAME & NUMBER: BZ 12ML-16-8-24
API NUMBER: 43-047-37670
LOCATION: 1/4,1/4 NW/SW Sec:16TWP: 08S RNG: 24 E 1846' FSL 747' FWL

Geology/Ground Water:

QEP proposes to set 450 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 4,100 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and is not expected to produce prolific aquifers. The production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters uphole. The proposed casing and cement program should adequately protect usable ground water in the area.

Reviewer: Brad Hill **Date:** 02-27-06

Surface:

At the request of Questar Exploration and Production, Co., a pre-site for this well was completed on 02/16/2006. The State of Utah (SITLA) owns both the surface and minerals. Mr. Jim Davis, SITLA and Ben Williams UDWR were invited to the evaluation on 2/08/2006. Both attended. Jan Nelson represented Questar.

Mr. Williams representing the UDRW stated the area is classified as critical year-long habitat for antelope. He however did not recommend any use restrictions, as the construction and operation of the location would not significantly reduce the forage in the area. The lack of water not forage is the factor limiting the antelope population. Several prairie dog holes are in the immediate area. He made no recommendations for this species. He gave SITLA and QEP copies of his evaluation and a recommended seed mix for revegetating the site. A pit liner is not required for this site however the operator plans to line the pit with a 12.0 mil liner and an appropriate sub-liner.

The area poses no problems for drilling a well.

Reviewer: Floyd Bartlett **Date:** February 16, 2006

Conditions of Approval/Application for Permit to Drill:

None.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: Questar Exploration and Production, Co.
WELL NAME & NUMBER: BZ 12ML-16-8-24
API NUMBER: 43-047-37670
LEASE: ML-3044A **FIELD/UNIT:** Wildcat
LOCATION: 1/4, 1/4 NW/SW Sec: 16 TWP: 08S RNG: 24 E 1846' FSL 747' FWL
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.
GPS COORD (UTM): 4442416 Y 0651232 X **SURFACE OWNER:** State of Utah (SITLA)

PARTICIPANTS

Floyd Bartlett (DOGM), Jim Davis (SITLA), Jan Nelson (QEP), Ben Williams (Utah Division of Wildlife Resources)

REGIONAL/SETTING TOPOGRAPHY

Site is in Uintah County, Utah in the Bonanza Power Plant area approximately 30 miles south east of Vernal, UT. The area drains into the East Fork of Kennedy Wash, which drains approximately 13 miles southwesterly into the White River. No streams or springs are known in the immediate area. Drainages are ephemeral containing flows only during spring runoff and intense summer storms. The topography is characterized by broad open flats or gentle ravines intersected by sometimes steep sided hills or plateaus.

Access to the site from Vernal, UT is following the Bonanza State Highway southeasterly approximately 30 miles. An existing two-track road across the BLM and SITLA will be upgraded approximately 0.7 miles to the location. It also will serve other planned wells.

This location is in a broad flat valley approximately 1 mile north east of the Bonanza Power Plant. At the head of the valley to the north, east and south are higher clay hills with some bedrock outcrops.

SURFACE USE PLAN

CURRENT SURFACE USE: Winter sheep grazing, limited antelope and rabbit hunting and general recreation.

PROPOSED SURFACE DISTURBANCE: Location of 350' x 198' and a reserve pit 70' x 150' with a 10' wide bench and stock piles of spoils outside this area. Approximately 0.7 miles two-track road will be improved. Gravel base will be hauled for this road as needed. A pipeline 75 feet in length.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: None currently exist but several are planned. See Topographic Map "C".

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be on location and added after drilling well. A

pipeline 75 feet in length will be laid adjacent to the road to a tie in point with the pipeline for the RW 44-08 FG well which is northwest of this location.

SOURCE OF CONSTRUCTION MATERIAL: All construction material will be obtained from the site.

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST CONCERNS? (EXPLAIN). No public concerns or interests are expected from drilling this well.

WASTE MANAGEMENT PLAN:

Drilled cuttings will be settled into reserve pit. Liquids from pit will be allowed to evaporate. Formation water will be confined to storage tanks. Commercial contractor will handle sewage facilities, storage and disposal. Trash will be contained in trash baskets and hauled to an approved land fill.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: Poorly vegetated with a cheat grass desert type community consisting of cheat grass, halogeton, greasewood and gardner salt brush. Antelope, deer, coyote and other small mammals and birds.

SOIL TYPE AND CHARACTERISTICS: Deep sandy loam alluvium. No surface rock.

EROSION/SEDIMENTATION/STABILITY: Very little natural erosion. Sedimentation and stability are not a problem and location construction shouldn't cause an increase in stability or erosion problems.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: 70' x 150' x 12' deep, located on the northwest corner of the location. , The reserve pit is all within cut. A 10' wide bench is planned around the outer edges. Two feet of freeboard is provided.

LINER REQUIREMENTS (Site Ranking Form attached): Rating of 15, Level II sensitivity. A pit liner is not required for this site however the operator plans to line the pit with a 12.0, mil liner and an appropriate sub-liner.

SURFACE RESTORATION/RECLAMATION PLAN

As per Land Owner Agreement (SITLA).

SURFACE AGREEMENT:

SITLA

ARCULTURAL RESOURCES/ARCHAEOLOGY: A Cultural/Archeological survey was completed by MOAC on 12/1/2005 and will be submitted to SITLA.

OTHER OBSERVATIONS/COMMENTS

Ben Williams representing the UDRW stated the area is classified as critical year-long habitat for antelope. He however did not recommend any use restrictions, as the construction and operation of the location would not significantly reduce the forage in the area. The lack of water not forage is the factor limiting the antelope population. Several prairie dog holes are in the immediate area. He made no recommendations for this species. He gave SITLA and QEP copies of his evaluation and a recommended seed mix for revegetating the site

ATTACHMENTS

Photos of this site were taken and placed on file.

FLOYD BARTLETT
DOGM REPRESENTATIVE

February 16, 2006; 09:30 AM

DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

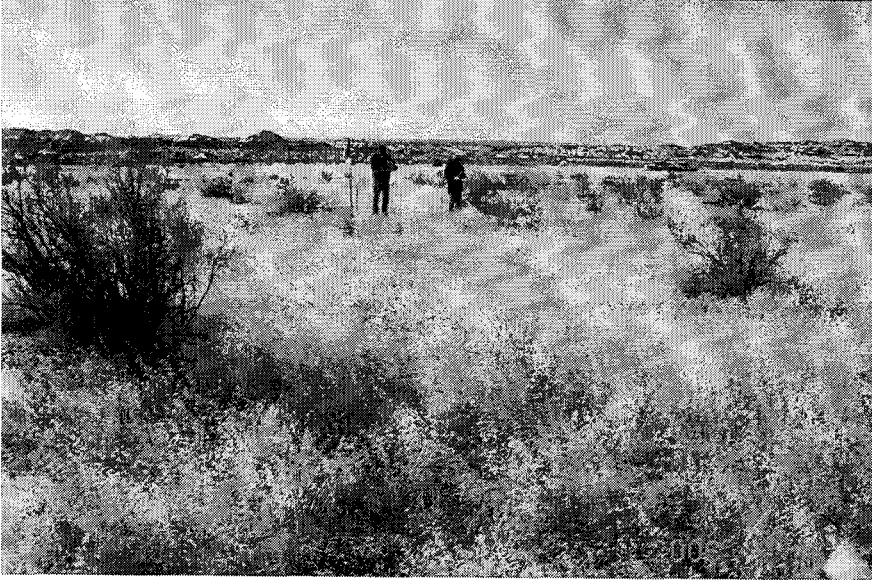
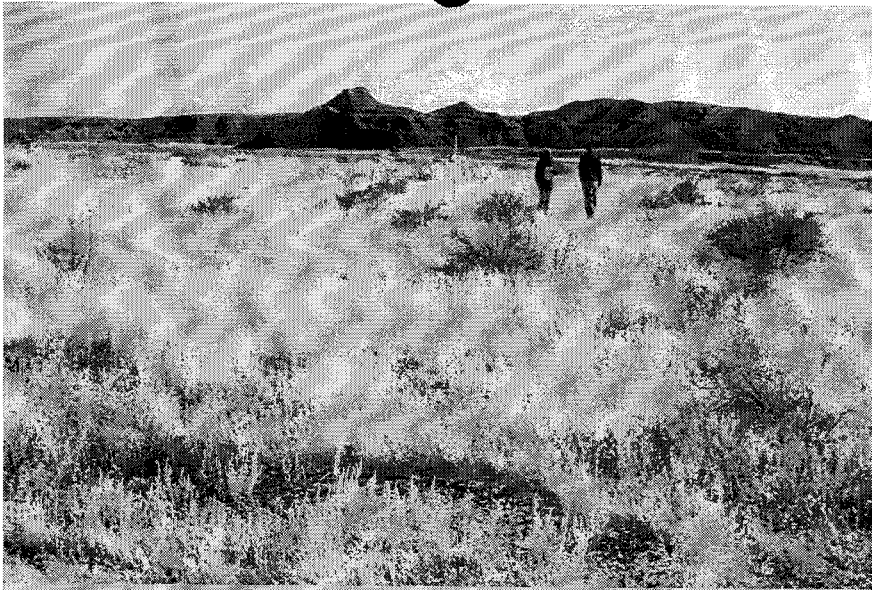
<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	<u>0</u>
< 100	20	
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 15 (Level II Sensitivity)

Sensitivity Level I = 20 or more: total containment is required.

Sensitivity Level I = 15-19: lining is discretionary.

Sensitivity Level II = below 15: no specific lining is required.





Casing Schematic

Uirta

Surface

8-5/8"
MW 8.4
Frac 19.3

TOC @
0.

TOC @
33.

Surface
450. MD

propose TOC-Surface

w/ 18% Washout
Surface w/ 15% Washout

BHP

$$(0.052)(9.5)(8550) = 4223$$

Anticipate 3708

G_{ao}

$$(0.12)(8550) = 1026$$

$$MASP = 3197$$

Fluid

$$(0.22)(8550) = 1881$$

$$MASP = 2342$$

BOPE - 3,000 ✓

Surf Csg - 4460

$$708 = 3122$$

Max pressure @ Surf Csg Shoe = 2441

Test to 2400 # ✓

✓ Adequate D.C.D. 2/21/06

4-1/2"
MW 9.5

Production
8550. MD

1200 Green River

4430 Wasatch

4954 TOC Tail

✓ w/ 15% washout

6150 Mesaverde

Well name:

02-06 Questar BZ 12ML-16-8-24Operator: **Questar Exploration and Production**String type: **Surface**

Project ID:

43-047-37670Location: **Uintah County****Design parameters:****Collapse**Mud weight: 8.400 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 71 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: 33 ft

BurstMax anticipated surface pressure: 396 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 450 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)Tension is based on buoyed weight.
Neutral point: 394 ft

Non-directional string.

Re subsequent strings:Next setting depth: 8,550 ft
Next mud weight: 9.500 ppg
Next setting BHP: 4,219 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 450 ft
Injection pressure 450 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	450	8.625	36.00	J-55	LT&C	450	450	7.7	32.3

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	196	3450	17.569	450	4460	9.91	14	486	34.30 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & MiningPhone: 801-538-5280
FAX: 801-359-3940Date: February 8, 2006
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 450 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	02-06 Questar BZ 12ML-16-8-24	
Operator:	Questar Exploration and Production	
String type:	Production	Project ID: 43-047-37670
Location:	Uintah County	

Design parameters:
Collapse

Mud weight: 9.500 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 185 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 3,193 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 4,219 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.
Neutral point: 7,336 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8550	4.5	11.60	M-80	LT&C	8550	8550	3.875	198.2
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4219	6350	1.505	4219	7780	1.84	85	267	3.14 B

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: 801-538-5280
FAX: 801-359-3940

Date: February 8, 2006
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 8550 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

From: Ed Bonner
To: Whitney, Diana
Date: 2/28/2006 4:02:30 PM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

ConocoPhillips Company

Utah 26-1198
Utah 26-1197
Utah 13-1167
Utah 11-1157
Utah 11-1159
Utah 11-1158
Utah 07-1230
Utah 07-1229
Utah 06-1228
Utah 35-1080
Utah 26-1055

Questar Exploration & Production

BZ 10ML-16-8-24
BZ 12ML-16-8-24
BZ 14ML-16-8-24

If you have any questions regarding this matter please give me a call.

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 28, 2006

Questar Exploration & Production, Company
11002 E 17500 S
Vernal, UT 84078

Re: BZ 12ML-16-8-24 Well, 1846' FSL, 747' FWL, NW SW, Sec. 16, T. 8 South,
R. 24 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Administrative approval for commingling the production from the Wasatch formation and the Mesaverde formation in this well is hereby granted. Appropriate information has been submitted to DOGM in accordance with R649-3-22. No written objections from owners were received by DOGM.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37670.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA

Operator: Questar Exploration & Production, Company
Well Name & Number BZ 12ML-16-8-24
API Number: 43-047-37670
Lease: ML-3044A

Location: NW SW Sec. 16 T. 8 South R. 24 East

Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3044A
2. NAME OF OPERATOR: QUESTAR EXPLORATION & PRODUCTION, CO.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 1571 E. 1700 S. CITY VERNAL STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1846' FSL 747' FWL		8. WELL NAME and NUMBER: BZ 12ML-16-8-24
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 16 8S 24E		9. API NUMBER: 4304737670
COUNTY: UINTAH		10. FIELD AND POOL, OR WILDCAT: UNDESIGNATED
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: APD EXTENSION
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

QEP Uinta Basin, Inc. hereby requests a 1 year extension on the BZ 12ML-16-8-24.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 02-26-07
By: [Signature]

COPY SENT TO OPERATOR
Date: 2-28-07
Initials: PM

NAME (PLEASE PRINT) <u>Laura Bills</u>	TITLE <u>Regulatory Assistant</u>
SIGNATURE <u>[Signature]</u>	DATE <u>2/22/2007</u>

(This space for State use only)

RECEIVED

FEB 26 2007

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-37670
Well Name: BZ 12ML-16-8-24
Location: 1846' FSL 747' FWL, NWSW, SEC. 16, T8S, R24E
Company Permit Issued to: QUESTAR EXPLORATION & PRODUCTION C
Date Original Permit Issued: 2/28/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Taura Bills
Signature

2/22/2007
Date

Title: REGULATORY ASSISTANT

Representing: Questar Exploration & Production Co.

**RECEIVED
FEB 26 2007**

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3044A
2. NAME OF OPERATOR: Questar Exploration & Production Co.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (435) 781-4331		8. WELL NAME and NUMBER: BZ 12ML-16-8-24
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1846' FSL 747' FWL		9. API NUMBER: 4304737670
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 16 8S 24E		10. FIELD AND POOL, OR WILDCAT: UNDESIGNATED
COUNTY: UINTAH		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: APD EXTENSION
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Questar Exploration & Production Co. hereby requests a 1 year extension on the BZ 12ML-16-8-24.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 02-28-08
By: [Signature]

COPY SENT TO OPERATOR

Date: 3-3-2008

Initials: KS

NAME (PLEASE PRINT) <u>Laura Bills</u>	TITLE <u>Associate Regulatory Affairs Analyst</u>
SIGNATURE <u>[Signature]</u>	DATE <u>2/20/2008</u>

(This space for State use only)

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FEB 22 2008 CONFIDENTIAL

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-37670
Well Name: BZ 12ML-16-8-24
Location: 1846' FSL 747' FWL, NWSW, SEC. 16, T8S, R24E
Company Permit Issued to: Questar Exploration & Production Co.
Date Original Permit Issued: 2/28/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒


Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

2/20/2008

Date

Title: Associate Regulatory Affairs Analyst

Representing: Questar Exploration & Production Co.

RECEIVED

FEB 22 2008

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 4, 2009

Laura Bills
Questar Exploration & Prod. Co.
11002 East 17500 South
Vernal, Utah 84078

43 047 37670
BZ 12ML-16-8-29
88 24E 16

Re: APDs Rescinded at the request of Questar Exploration & Prod. Co.

Dear Ms. Bills:

Enclosed find the list of APDs that you requested to be rescinded to Questar Exploration & Production Company. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective January 30, 2009.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject locations.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal



COY 4ML-21-8-24	43-047-37585
BZ 12ML-16-8-24	43-047-37670
BZ 14ML-16-8-24	43-047-37672
GH 2MU-19-8-21	43-047-38192
WVX 6MU-17-8-21	43-047-38189
WVX 13MU-17-8-21	43-047-38188

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING

CDW

Change of Operator (Well Sold)

X - Operator Name Change

The operator of the well(s) listed below has changed, effective:

6/14/2010

FROM: (Old Operator): N5085-Questar Exploration and Production Company 1050 17th St, Suite 500 Denver, CO 80265 Phone: 1 (303) 308-3048	TO: (New Operator): N3700-QEP Energy Company 1050 17th St, Suite 500 Denver, CO 80265 Phone: 1 (303) 308-3048
--	---

CA No.

Unit:

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 6/28/2010
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 6/28/2010
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 6/24/2010
- Is the new operator registered in the State of Utah: Business Number: 764611-0143
- (R649-9-2) Waste Management Plan has been received on: Requested
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 8/16/2010 BIA not yet
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 8/16/2010
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 6/29/2010

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 6/30/2010
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 6/30/2010
- Bond information entered in RBDMS on: 6/30/2010
- Fee/State wells attached to bond in RBDMS on: 6/30/2010
- Injection Projects to new operator in RBDMS on: 6/30/2010
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: ESB000024
- Indian well(s) covered by Bond Number: 965010693
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 965010695
- The **FORMER** operator has requested a release of liability from their bond on: n/a

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1 TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: See attached
2 NAME OF OPERATOR: Questar Exploration and Production Company <i>N5085</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: See attached
3. ADDRESS OF OPERATOR: 1050 17th Street, Suite 500 City: Denver STATE: CO ZIP: 80265		7. UNIT or CA AGREEMENT NAME: See attached
4. LOCATION OF WELL FOOTAGES AT SURFACE: See attached		8. WELL NAME and NUMBER: See attached
PHONE NUMBER: (303) 672-6900		9. API NUMBER: Attached
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT: See attached

COUNTY: Attached

STATE: UTAH

11 CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>6/14/2010</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Operator Name Change</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective June 14, 2010 Questar Exploration and Production Company changed its name to QEP Energy Company. This name change involves only an internal corporate name change and no third party change of operator is involved. The same employees will continue to be responsible for operations of the properties described on the attached list. All operations will continue to be covered by bond numbers:

Federal Bond Number: 965002976 (BLM Reference No. ESB000024) *N3700*

Utah State Bond Number: ~~965003033~~

Fee Land Bond Number: ~~965003033~~ *965010695*

BIA Bond Number: ~~799446~~ *965010693*

The attached document is an all inclusive list of the wells operated by Questar Exploration and Production Company. As of June 14, 2010 QEP Energy Company assumes all rights, duties and obligations as operator of the properties as described on the list

NAME (PLEASE PRINT) <u>Morgan Anderson</u>	TITLE <u>Regulatory Affairs Analyst</u>
SIGNATURE <i>Morgan Anderson</i>	DATE <u>6/23/2010</u>

(This space for State use only)

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JUN 28 2010

DIV. OF OIL, GAS & MINING

(See Instructions on Reverse Side)

APPROVED *6/30/2009*

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

Questar Exploration Production Company (N5085) to QEP Energy Company (N3700)
effective June 14, 2010

well_name	sec	tpw	rng	api	entity	mineral lease	type	stat	C
Wr 16G-32-10-17	32	100S	170E	4301350370		State	OW	NEW	C
STATE 1	36	070S	240E	4304715128	5878	State	GW	P	
KAYE STATE 1-16	16	100S	230E	4304730609	5395	State	GW	P	
TOLL STATION ST 8-36-8-21	36	080S	210E	4304732724	12361	State	GW	S	
GB 8A-36-8-21	36	080S	210E	4304733037	12377	State	GW	P	
GB 6-36-8-21	36	080S	210E	4304733038	12378	State	GW	P	
GB 2-36-8-21	36	080S	210E	4304733252	12527	State	GW	P	
GH 1W-32-8-21	32	080S	210E	4304733570	12797	State	GW	P	
GH 3W-32-8-21	32	080S	210E	4304733571	12796	State	GW	P	
GH 5W-32-8-21	32	080S	210E	4304733572	12828	State	GW	P	
GH 7W-32-8-21	32	080S	210E	4304733573	12872	State	GW	P	
GH 2W-32-8-21	32	080S	210E	4304733744	13029	State	GW	P	
GH 4W-32-8-21	32	080S	210E	4304733745	13035	State	GW	P	
GH 8W-32-8-21	32	080S	210E	4304733746	13030	State	GW	P	
OU GB 3W-16-8-22	16	080S	220E	4304733751	13577	State	GW	P	
OU GB 5W-16-8-22	16	080S	220E	4304733752	13570	State	GW	P	
GH 6W-32-8-21	32	080S	210E	4304733753	13036	State	GW	P	
OU GB 11W-16-8-22	16	080S	220E	4304733754	13582	State	GW	P	
GH 5G-32-8-21	32	080S	210E	4304733866	13037	State	OW	P	
GB 1W-36-8-21	36	080S	210E	4304733944	13439	State	GW	P	
WV 2W-2-8-21	02	080S	210E	4304734034	13678	State	GW	P	
GB 6W-25-8-21	25	080S	210E	4304734121	13440	Fee	GW	P	
GB 7W-25-8-21	25	080S	210E	4304734122	13436	Fee	GW	P	
WV 9W-16-7-21	16	070S	210E	4304734324		State	GW	LA	
OU GB 11W-30-8-22	30	080S	220E	4304734392	13433	Fee	GW	P	
OU GB 4W-16-8-22	16	080S	220E	4304734598	13579	State	GW	P	
OU GB 10W-16-8-22	16	080S	220E	4304734616		State	GW	LA	
OU GB 12W-16-8-22	16	080S	220E	4304734617	13697	State	GW	P	
OU GB 13W-16-8-22	16	080S	220E	4304734618	13611	State	GW	P	
GB 14MU-16-8-22	16	080S	220E	4304734619	14196	State	GW	P	
OU GB 15W-16-8-22	16	080S	220E	4304734622	13595	State	GW	P	
OU GB 16W-16-8-22	16	080S	220E	4304734655	13815	State	GW	P	
OU GB 2W-16-8-22	16	080S	220E	4304734657	13721	State	GW	P	
OU GB 6W-16-8-22	16	080S	220E	4304734658	13592	State	GW	P	
OU GB 8W-16-8-22	16	080S	220E	4304734660	13769	State	GW	TA	
OU GB 9W-16-8-22	16	080S	220E	4304734692		State	GW	LA	
OU GB 15G-16-8-22	16	080S	220E	4304734829	13777	State	OW	S	
GB 7MU-36-8-21	36	080S	210E	4304734893	14591	State	GW	P	
GB 3W-36-8-21	36	080S	210E	4304734894	13791	State	GW	P	
NC 8M-32-8-22	32	080S	220E	4304734897		State	GW	LA	
NC 3M-32-8-22	32	080S	220E	4304734899		State	GW	LA	
GB 5W-36-8-21	36	080S	210E	4304734925	13808	State	GW	P	
GB 4MU-36-8-21	36	080S	210E	4304734926	14589	State	GW	P	
NC 11M-32-8-22	32	080S	220E	4304735040		State	GW	LA	
GB 5SG-36-8-21	36	080S	210E	4304735155	14015	State	GW	P	
SC 13ML-16-10-23	16	100S	230E	4304735281	14036	State	GW	P	
SC 3ML-16-10-23	16	100S	230E	4304735282	14014	State	GW	P	
SC 11ML-16-10-23	16	100S	230E	4304735311	14035	State	GW	P	
WH 13G-2-7-24	02	070S	240E	4304735484	14176	State	D	PA	
FR 9P-36-14-19	31	140S	200E	4304735880	14310	State	GW	P	
CB 13G-36-6-20	36	060S	200E	4304735969		State	OW	LA	

Bonds: BLM = ESB000024

BIA = 956010693

State = 965010695

Questar Exploration Production Company (N5085) to QEP Energy Company (N3700)
effective June 14, 2010

well_name	sec	twp	rng	api	entity	mineral lease	type	stat	C
WH 2G-2-7-24	02	070S	240E	4304736259		State	GW	LA	
WH 4G-2-7-24	02	070S	240E	4304736261		State	GW	LA	
FR 1P-36-14-19	31	140S	200E	4304736300	14859	State	GW	P	
WK 3ML-2-9-24	02	090S	240E	4304736723		State	GW	LA	
WK 7ML-2-9-24	02	090S	240E	4304736724		State	GW	LA	
SC 5ML-16-10-23	16	100S	230E	4304736877	15125	State	GW	P	
SC 12ML-16-10-23	16	100S	230E	4304736878	15053	State	GW	P	
SC 14ML-16-10-23	16	100S	230E	4304736908	15070	State	GW	P	
SC 4ML-16-10-23	16	100S	230E	4304736912	15208	State	GW	P	
FR 3P-36-14-19	36	140S	190E	4304737376	15736	State	GW	P	
BZ 12ML-16-8-24	16	080S	240E	4304737670		State	GW	LA	
BZ 10D-16-8-24	16	080S	240E	4304737671	15979	State	GW	S	
BZ 14ML-16-8-24	16	080S	240E	4304737672		State	GW	LA	
BBE 9W-16-7-21	16	070S	210E	4304737745		State	GW	LA	
GB 10ML-16-8-22	16	080S	220E	4304737943		State	GW	LA	
GB 9ML-16-8-22	16	080S	220E	4304737944	15851	State	GW	P	
HR 2MU-2-12-23	02	120S	230E	4304738052		State	GW	LA	
HR 3MU-2-12-23	02	120S	230E	4304738053		State	GW	LA	
HR 6MU-2-12-23	02	120S	230E	4304738054		State	GW	LA	
HR 10MU-2-12-23	02	120S	230E	4304738055	15737	State	GW	S	
HR 12MU-2-12-23	02	120S	230E	4304738056		State	GW	LA	
HR 14MU-2-12-23	02	120S	230E	4304738057		State	GW	LA	
HR 16MU-2-12-23	02	120S	230E	4304738058		State	GW	LA	
FR 11P-36-14-19	36	140S	190E	4304738349	15899	State	GW	P	
GB 4SG-36-8-21	36	080S	210E	4304738764	16142	State	GW	P	
GB 7SG-36-8-21	36	080S	210E	4304738765	16144	State	GW	P	
WF 3D-32-15-19	32	150S	190E	4304738877		State	GW	APD	C
SCS 5C-32-14-19	32	140S	190E	4304738963	16759	State	GW	P	
FR 7P-36-14-19	31	140S	200E	4304738992	15955	State	GW	P	
SCS 10C-16-15-19	16	150S	190E	4304739683	16633	State	GW	P	
FR 6P-16-14-19	16	140S	190E	4304740350		State	GW	APD	C

Bonds: BLM = ESB000024

BIA = 956010693

State = 965010695